



# FRIENDS OF THE RIVER

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CALIFORNIA'S  
STATEWIDE RIVER  
CONSERVATION  
ORGANIZATION

February 11, 2002

Mr. David Freeman, Chair  
California Consumer Power and Conservation Financing Authority  
901 "P" Street, Suite 142 A  
Sacramento, CA 95814

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## **RE: DRAFT California Power Authority Energy Resource Investment Plan**

Dear Mr. Freeman:

Friends of the River is formally submitting written response to the Draft Energy Resource Investment Plan (Plan) released by the California Consumer Power and Conservation Financing Authority (Authority). We are quite pleased with the plan and are taking this opportunity to provide positive comments on your document. We support the plan for many reasons, provided below, although we note some concern regarding spending on particular projects.

### **Hydropower is Not A Renewable Resource**

We were delighted to see that hydropower is not included in any of the renewable energy source discussion or recommendations. In fact, the document does not encourage the production of any new hydropower in the state. The plan correctly states that hydropower is currently 16% of the California energy market, and it comes with an annual uncertainty of water availability. Please note that hydropower comes with more than uncertainty – it comes with serious environmental consequences. Hydropower operations, often cause dramatic variations in river flows, which in turn disrupt aquatic organisms, erode stream banks, and degrade water quality. In fact, the Status of the Sierra Nevada, Summary of the Sierra Nevada Ecosystem Project Report, a 1996 University of California at Davis publication, states that, "Aquatic/riparian systems are the most altered and impaired habitats of the Sierra. Dams and diversions have profoundly altered stream-flow patterns (timing and amount of water) and water temperatures, with significant impacts to aquatic biodiversity." You may want to



consider adding this critical information to your analysis of various future energy generation facilities.

Furthermore, Friends of the River is concerned that although the Plan focuses on financing solar, wind and biomass, the funding of non-renewable energy facilities, such as hydropower, is not specifically prohibited. We understand that the Authority authorizing legislation (Pub. Util. Code Sec. 3300 et seq.) states that “The authority may not invest in any nuclear facilities or develop any additional hydro facilities without first receiving specific statutory authorization to do so on a project-by-project basis.” (Pub. Util. Code Sec. 3355). However, Friends of the River would like to take this opportunity to discourage it.

Non-renewable projects that may soon be proposed for funding, such as the Lake Elsinore pumped-back storage project (which will create a new reservoir in a sensitive ecosystem in a proposed addition to the San Mateo Wilderness area) will be opposed by Friends of the River and the conservation community. We encourage the Authority to stick with the Plan and fund renewable facilities and not hydropower.

### **Balanced Emphasis on Energy Generation and Efficiency**

We strongly support your plans to provide a balanced emphasis on promoting clean and renewable generation technologies *and* pursue innovative demand reduction programs. We were very encouraged to see your plans to work with the California Public Utilities Commission (PUC) and the CEC to creatively “finance, package, and sell conservation.” (p. 16). Your initial list of energy efficiency and demand-responsive load reduction programs are a great start. And, the plans to market these programs are a critical component of an effective plan. Friends of the River is very supportive of these demand reduction efforts, specifically any efforts to “flatten” summer peak loads, specifically because the state’s hydropower system is disproportionately called upon to meet these peak energy needs.

### **Removal of Old Energy Generation Facilities**

Due to public preferences, the Authority is recommending that any old fossil power plants that need to be replaced in the future, be replaced with wind, solar, or biomass. The Authority urges public policy to make that happen (p. 11). Friends of the River agrees that public policy must be changed to ensure that old power plants are replaced with wind, solar or biomass. However, we do not agree that the decommissioning of power plants should be limited to fossil fuel plants. In fact, Friends

of the River recently submitted comments (12/21/01), as a member of the California Hydropower Reform Coalition (CHRC), on the California Energy Commission's (CEC) Staff Draft Report of November 2001, *2002-2012 Electricity Outlook Report*. We specifically requested that aging hydropower facilities not be ignored as potential environmental, economic, and public safety hazards.

We stated that, "Many older dams can no longer provide the function for which they were built. Even when an older dam is still functioning, the benefits it provides may be less than the cost of operating and maintaining the structure. In addition, legal mandates to assure fish passage, provide downstream flows for healthy fisheries, or to reduce impacts on newly listed endangered species may cost more than the facility's electricity revenues.

Finally, many older dams are unsafe and in a state of disrepair. Their owners may no longer have the funds to maintain or remove them, or have abandoned the structures altogether. These facilities can create hazards for boaters or act as attractive nuisances for children and unwary swimmers. Some dams may also be in danger of catastrophic failure due to earthquakes or floods, and may prove too costly to improve or repair. And a few sometimes fail catastrophically with loss of life and property, as did the Saint Francis Dam in California in 1928 and Idaho's Teton Dam in 1976."

State and federal agencies are spending millions on dam removal studies or projects on the Ventura River, Butte Creek, Alameda Creek, the lower Yuba River, the Carmel River, Malibu Creek, and many other sensitive rivers in California. Upon further analysis, the Authority, in association with the CEC, may find many other decommissioning and river restoration opportunities that will provide public safety, environmental, and economic benefits to all involved. The Authority should include aging hydropower in any power facility decommissioning analysis or deconstruction that may occur.

## **Conclusion**

In sum, Friends of the River applauds the Authority for creating a Plan focused on environmentally friendly programs focused on the construction of new renewable energy facilities and not new hydropower facilities. We appreciate your well thought out plan to implement an energy efficiency program that will result in demand side reduction. We urge the Authority to incorporate a proactive program to phase out and replace the state's most damaging hydroelectric operations and facilities. Such a program would not only support and advance the policy objectives of the Authority's sister agencies, the CEC and the PUC, but would also further the objectives of the agencies within the Resources

Agency and at Cal EPA. And lastly, we discourage the financing of any new hydropower facility or storage reservoir.

Please feel free to call me if you have any questions or comments, at Friends of the River at 916-442-3155 ext. 217.

Sincerely,

A handwritten signature in black ink that reads "Maureen Rose". The signature is fluid and cursive, with the first name "Maureen" and the last name "Rose" clearly distinguishable.

Maureen Rose

Energy and Water Policy Advocate